

County Best Practices Q&A

SECTION II: Financial Roles and Responsibilities

1. What is meant by *the council may not collect dues for or pay dues to state or national organization or associations?*

- A. Public money cannot be used to pay dues to state or national organization or associations. Nor can the Council collect dues for the aforementioned purpose. Council members may join as an individual using their own funds but cannot join under the Council name or using Council funds. Nor can the Council reimbursement the individual for those dues.

Belonging to a local organization (city, county, district or region) is not stated nor do we feel it is implied in the statute as being prohibited from paying for and belonging to. We do recommend checking with the commission to see if they have an umbrella county government membership for Chamber membership or if they would consider purchasing an umbrella membership.

2. What if the Council wants to earmark some money for a staff member's professional development or joining the chamber?

- A. Professional development and joining the local chamber of commerce are two separate items.

Yes, the Council may provide funding for a County Extension Council employee to have professional development.

3. How do we sign for supplies, etc., when the Council treasurer is not in the office or close by?

- A. It is fine for individuals (University or Council employee) to sign for receiving purposes. However, the order needs to be checked to insure it is complete or any missing items are accounted for. The council or University employee may check the order and sign for receipt of the item(s). A signed receipt/acknowledgement may or may not be provided. If not provided, it is recommended the packing slip be signed by the employee and dated with the date of receipt. Either documentation should be provided to the treasurer for documentation.

4. It is confusing when you address who should handle the money – the county bookkeeper, council treasurer, CEs – can you be more specific?

- A. It is important that there is segregation of duties and internal controls associated with handling money. Every office may look a little different. Therefore, it is not possible to state which person/position should handle which aspect of handling money.

5. What kind of legal entity is a Council?
 - A. The Council is considered a not-for-profit organization
6. Do you have a specific letter or document which clarifies the non-profit status of Extension Councils?
 - A. There is a [tax-exempt status of county councils & 4-H clubs letter](#) on the county fiscal website.

SECTION IV – Proposals, Grants, Contributions, and Gifts

7. For clarification, if any part of a specialist’s time is on a grant, that grant has to go through campus since the specialist is a “campus resource”?
 - A. Yes, the council cannot commit/sign for a University resource.

SECTION V – Purchasing

8. Will the Council be charged the same amount for travel since we are not traveling right now?
 - A. Yes. The travel rate is determined on an annual basis. However, because of COVID travel restrictions making 2020 an unprecedented year, we will review mileage after every quarter and throughout the year to see if adjustment can be made. We do anticipate the split to remain at 70:30 (County/University) cost share
9. What about the Council setting up a W-9 with a business or organization?
 - A. Setting up a W-9 can go both ways. It could be a business needing a W-9 in order to invoice the Council. Or it could be the Council needing a W-9 so the Council can invoice the business. The IRS recommends that a W-9 be requested from all vendors when you plan to make payments to them of \$600 or more.
10. There are times an individual will purchase an item and then the Council reimburses that individual. Is that okay?
 - A. The Council should pay vendors directly (i.e., council credit card), instead of having to reimburse a specific county employee. Or see if the vendor will invoice the Council for payment.
11. What about purchasing from Sam’s Club, Costco, and/or Amazon if you don’t have a county credit card?
 - A. Council are able to use Show-me-Shop, a part of the University’s ePro program. Orders are placed in Show-Me-Shop with the appropriate county expense MoCode. Then we invoice the Council for the cost of the merchandise.

Show-Me-Shop provides the ability to order from multiple contracts supplies/vendors, including Staples and Amazon, usually at a cheaper price.

For suppliers/vendors not part of Show-Me Shop the Council should consider setting up petty cash for purchases or see if the vendor will invoice.

SECTION VI – Receipts and Deposits of Money

12. Doesn't reconciliation take care of segregation for receiving and depositing funds?

- A. Segregation needs to happen at all phases of the financial process, just not toward the end. Reconciliation happens toward the end and is just one part of the overall financial process of handling funds.

13. In a small office there isn't the staff for segregation of duties and Councils don't want that much day to day activity. What should we do?

- A. This goes back to segregation of duties. Internal controls are an important aspect of managing public dollars and we understand in small offices it is more difficult. However, you need to think through what makes sense between the bookkeeper, CES, treasurer. Then establish the best scenario and assign different pieces of the process to different people. Segregation is going to be a little different in different offices. We can help you talk through your specific situation.

14. Can we use Square when the credit card online registration is not available (after hours)?

- A. The use of Square is not recommended. The University's Merchant Policy requires all merchants and personnel accepting and processing credit and debit cards to comply with the current version of the Payment Card Industry's (PCI) Data Security Standards (DSS).

To ensure Councils are in compliance with PCI DSS requirement, they should follow University Merchant policy. To use Square, this would mean:

1. When you hand key a payment into your workstation it could qualify as an SAQ C-VT (This is the SAQ you would have to complete annually, [PCI-DSS-v3 2 1-SAQ-C VT.pdf](#) (pcisecuritystandards.org))

Technically this would require you to purchase hardware (Firewall for the workstation to segment it away from all other computers on the same network). So there would be equipment costs for trying to process payments via hand keying them into a browser on a workstation.

2. Square is not a validated Point to Point encrypting solution so technically the square and the phone/tablet used would be an SAQ C ([PCI-DSS-v3 2 1-SAQ-C.pdf](#) (pcisecuritystandards.org)). Would the phone or tablet be cellular and not Wi-Fi for payments? Would the phone/tablet only be used for credit card payments and nothing else? If yes then you can make some of the SAQ C not applicable but there would still

be lots of questions you would have to make sure are marked yes and yes means you are doing what it asks you to do for security reasons.

The best solution for you and your office is a dial up terminal, a validated P2PE device, or a terminal that is cellular (not a dongle like Square that plugs into a cellular phone).

Remember: You should not write down credit card information. You can only enter the credit card information by swiping or entering the numbers directly into a Credit Card terminal.

SECTION XI – Cost Recovery, Fees and Sales Tax

15. Can the Council get a Square credit card processor for collecting funds for soil tests, t-shirt sales, etc.?

A. We do not recommend using Square. Refer to the response for Question 14.

16. MU Extension, the Council and affiliated groups/chapters, like Master Gardener, sell items for fund raising. Do we/they have to collect sales tax?

A. According to Missouri law, unless the group/chapter has established 501(c)(3) status, it must collect sales tax on items sold at fundraising events *if* yearly revenue exceeds \$3,000.

SECTION XII – Insurance

17. Do Council's need to have Directors and Officers (D&O) Insurance?

A. We do recommend Councils review their liability risk and carry their own liability insurance. However, we are not insurance experts and cannot provide advice regarding individual policy types.

SECTION XIII – Assets

18. If we have Council approval to discard equipment purchased with county money, how can we do that?

A. Generally, equipment purchased with public money cannot be donated. You can do a silent bid, auction it off, or if there is no value you can recycle it.

19. We have a very generic inventory list. Would it be possible to get an idea of what should/should not be included on the list or is a generic list acceptable?

A. With inventory, the more detail the better it is. At a minimum, the inventory list should include date of purchase, amount of purchase, detailed description of item (including if it has a name), and who it was purchased from.

